

FISCAL NOTE

SB 1295 - HB 1243

March 22, 2001

SUMMARY OF BILL:

- Provides that the former spouse of a person who is a member of a health or dental insurance policy is eligible for coverage under such policy following a divorce or legal separation. Such eligibility continues until the group plan member or the former spouse remarries.
- Provides that in the event of the remarriage of the group plan member, the former spouse shall have the right, if so provided in a judgment, to continue to receive benefits by means of the addition of a rider to the family plan or the issuance of an individual plan, either of which may be at additional premium rates determined by the Commissioner of Commerce and Insurance.
- Provides that health insurance providers shall forward to the Department of Commerce and Insurance the names of persons eligible for coverage under the provisions of this bill.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures:

\$54,200 Recurring/Commerce and Insurance

\$5,900 One-Time/Commerce and Insurance

Less Than \$100,000 Recurring/State Employees Health Insurance Plan

Increase State Revenues - Less Than \$100,000 Recurring/State Employees Health Insurance Plan

Increase Local Govt. Expenditures* - Less Than \$100,000

Increase Local Govt. Revenues - Less Than \$100,000

Estimate assumes:

- An increase in expenditures to state and local government employee health plans to the extent that a group plan member's former spouse is eligible for insurance coverage under the provisions of this bill. Estimate also assumes an increase in premium revenues to state and local government employee health insurance plans.
- An increase in state expenditures for one position and related expenses in the Department of Commerce and Insurance to monitor and implement the provisions of this bill.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

SB 1295 - HB 1243